

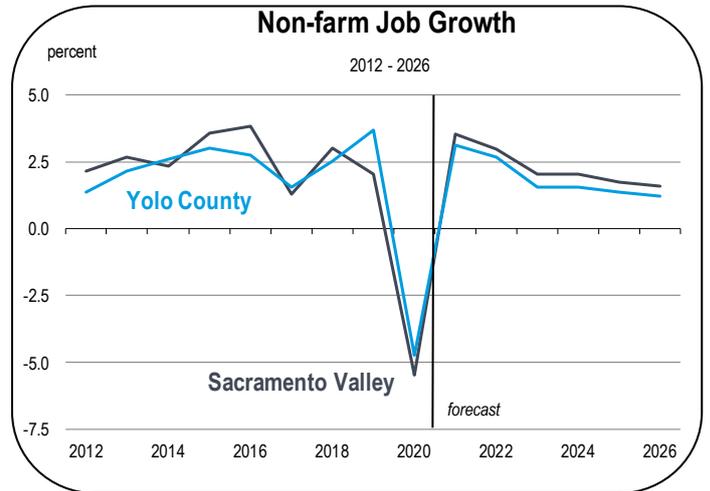
Yolo County Economic Forecast

Forecast Summary

- On an annual average basis, 3,500 non-farm jobs will be restored in Yolo County during 2021.
- A full labor market recovery is expected by 2022.
- Employment gains in 2021 will be largest in government and leisure services, which will each recover at least 700 jobs.
- More than 300 jobs will also be re-gained or created in transportation, warehousing, and retail trade.
- The unemployment rate averaged 7.6 percent in 2020. It is expected to average 6.0 percent in 2021.
- The Yolo County population is expected to grow more slowly than the average for the Sacramento Valley, but much more quickly than most of Coastal California.
- More homes will be built over the forecast period than were built during the previous five years.
- Home prices increased unexpectedly in 2020, rising by 8 percent. Prices are expected to rise just as quickly in 2021 and 2022.

Job Growth

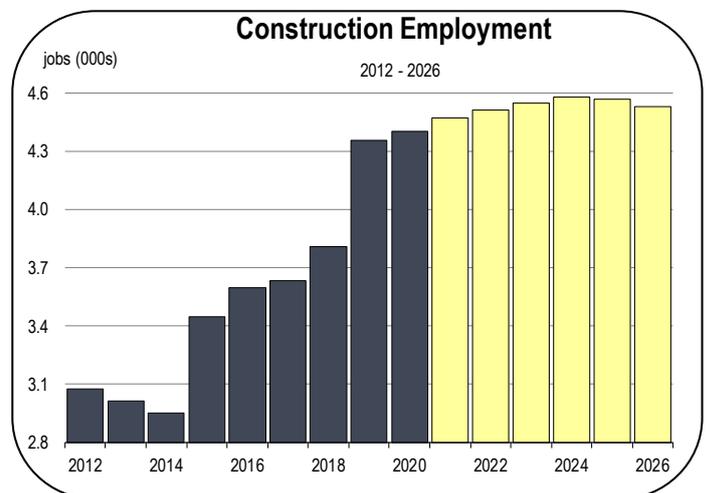
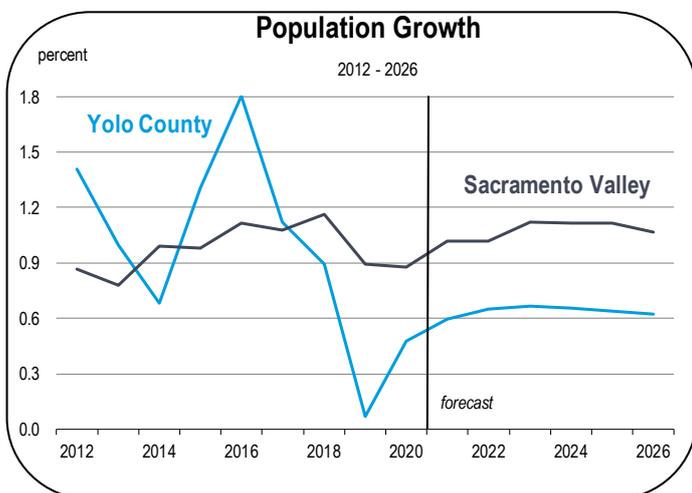
- Total employment in Yolo County will expand by 3.2 percent in 2021 on an annual average basis.



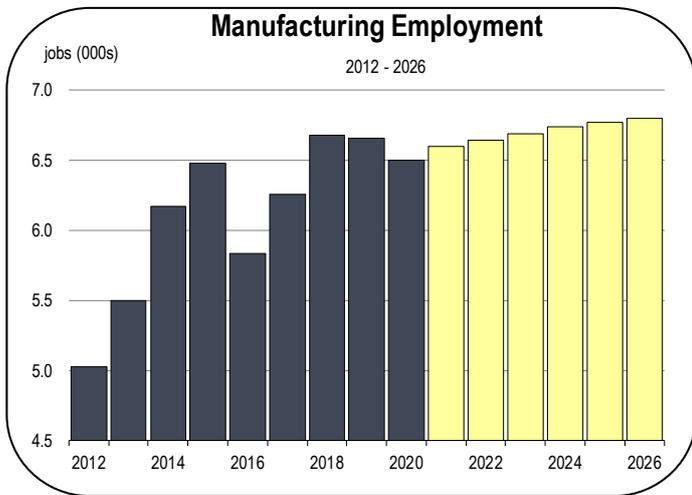
- Between 2022 and 2026, job growth will average 1.6 percent.

Construction Employment

- Employment in the construction sector has expanded continuously since 2014, and the Coronavirus Recession did not halt this expansion.
- Over the next 5 years, hundreds of new units will be started and completed in Yolo County. Employment within the construction trades is forecast to expand through 2024 or beyond.



Yolo County Economic Forecast



Manufacturing Employment

- Yolo County has a heavy concentration in food and beverage manufacturing, which consists of turning agricultural commodities into finished food products.
- Approximately 10 percent of the industry is in transportation equipment manufacturing, largely consisting of firms that work with the transportation researchers at U.C. Davis.
- The county is increasingly becoming a hub for biotech manufacturing, also because of its proximity to researchers at U.C. Davis.
- Prominent manufacturing forms include:
 - NorCal Beverage Co.
 - Pacific Coast Producers
 - Novozymes, Inc.
 - Marrone Bio Innovations

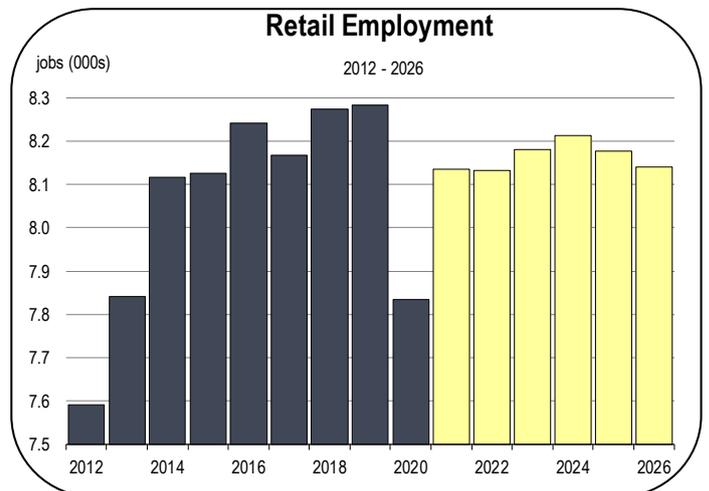
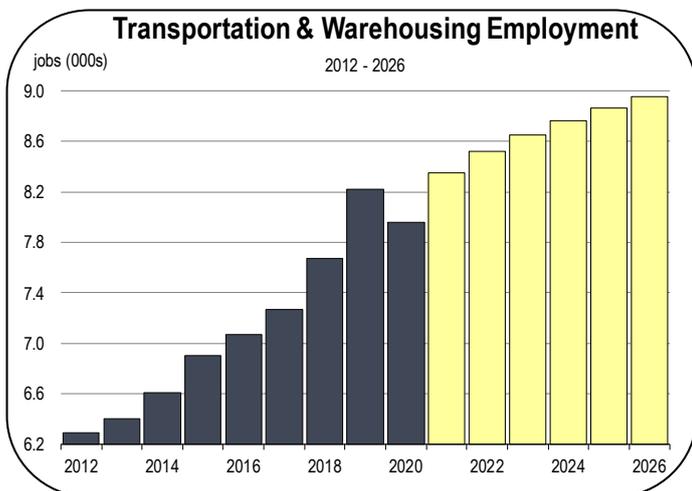
- No extraordinary growth in manufacturing is forecast over the next 5 years, though longer term, a contraction is likely due to robotics and other advances in technology.

Transportation and Warehousing Employment

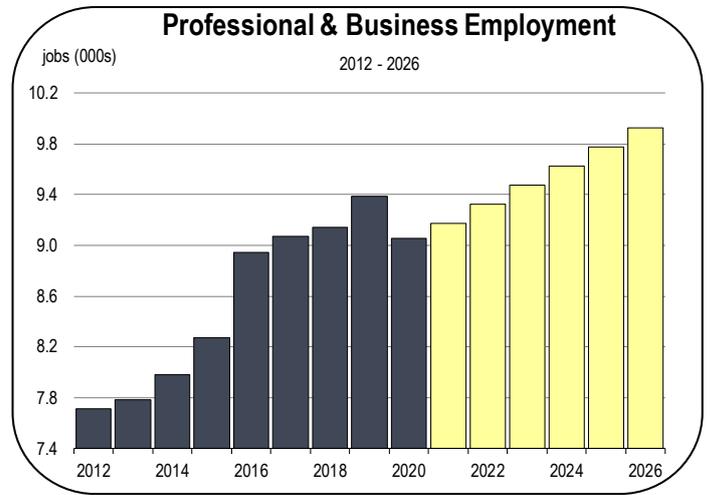
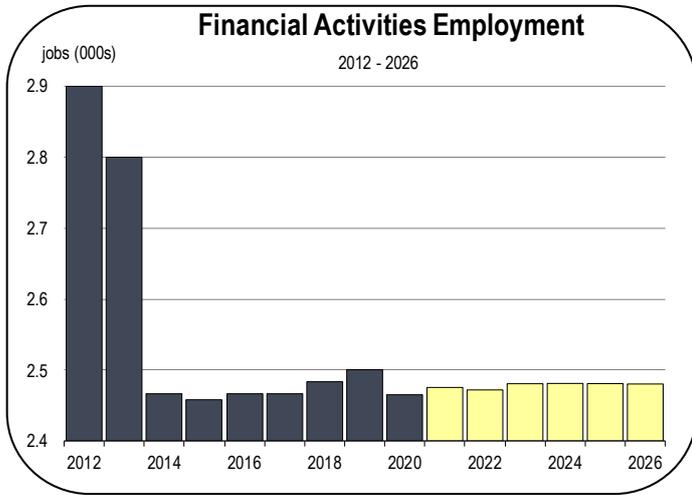
- Most transportation jobs in Yolo County are in long-distance trucking and warehousing.
- A meaningful number of jobs are in delivery firms like UPS. Delivery firms hired large numbers of workers during 2020 in response to a surge in online shopping and direct-to-consumer shipping.
- This sector embodies the effects of consumer substitution from local retail centers to online acquisition of goods. Warehouse, distribution centers and fulfillment center jobs are consequently becoming substituted for retail jobs at stores. The industry is forecast to create job opportunities over the indefinite future.

Retail Trade Employment

- Approximately 25 percent of all retail jobs are in grocery stores. Another third are in big-box department stores, home improvement stores, and car dealers, and clothing stores.
- Most losses in 2020 were at department stores, clothing stores, and car dealers.
- Grocery stores expanded their headcounts in 2020 as households stopped going to restaurants and prepared more home cooked meals. Home improvement stores staffed up too.
- Automation and the transition to online shopping will lead to consolidations in total industry employment at local brick-and-mortar establishments between 2022 and 2026, principally in department stores, furniture stores, electronics stores, and clothing stores.



Yolo County Economic Forecast



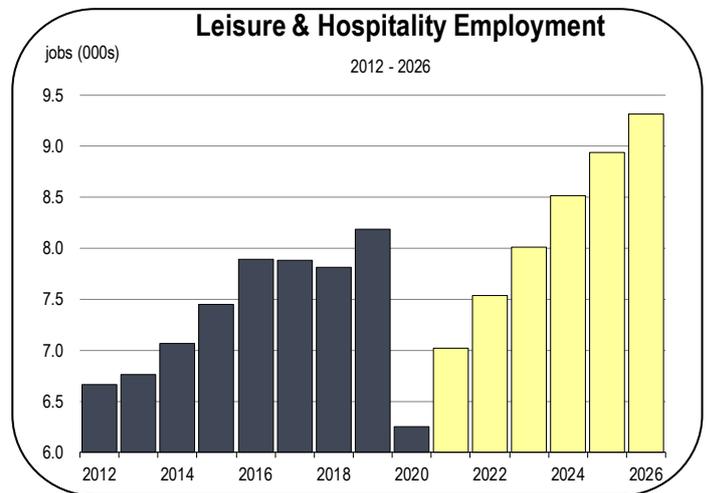
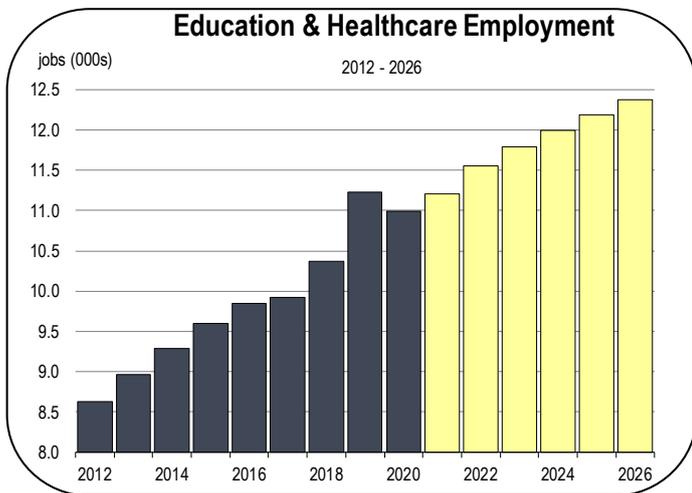
Financial Activities Employment

- The Yolo County financial activities industry is mostly comprised of real estate companies, banks, insurance firms, and equipment rental agencies.
- The industry maintains existing workforce levels over the forecast.
- Minimal growth characterized any of the subsectors in this industry between 2014 and 2020 which represented an expansive economy with a growing population in the County.

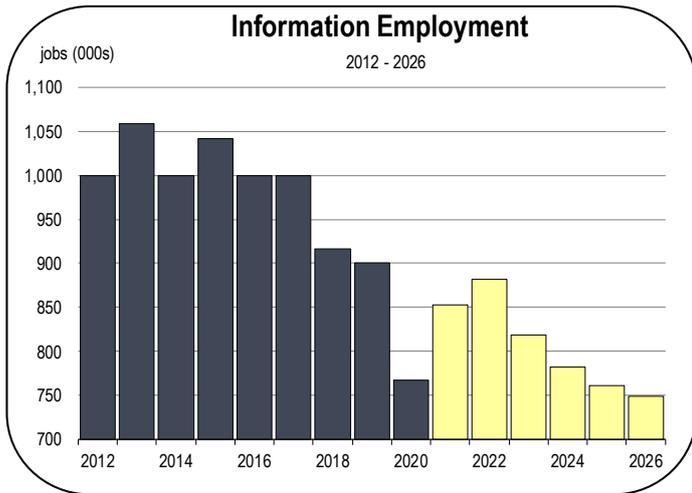
Professional and Business Services, Leisure, Hospitality, Private Education, and Healthcare

- In 2022, professional services and healthcare jobs account for 16 percent of all job creation, while leisure and hospitality accounts for 17 percent.

- By 2023, the former represents 21 percent of total job creation while the latter accounts for 25 percent.
- The Cache Creek Casino Resort, with 2,500 employees, has reopened 24/7. Guest densities will continue to rise as pandemic restrictions are eased this year, enabling a return to full employment
- As students return to in-person instruction in September 2021, food and recreation services will rebound in Davis and Woodland.
- Downtown Davis has become a hub for dining and drinking, with many more restaurants and bars than just a decade ago.
- Expect post-pandemic life in the area to include more sidewalk cafes and foot traffic throughout Downtown Davis, principally between A Street and G Street.



Yolo County Economic Forecast



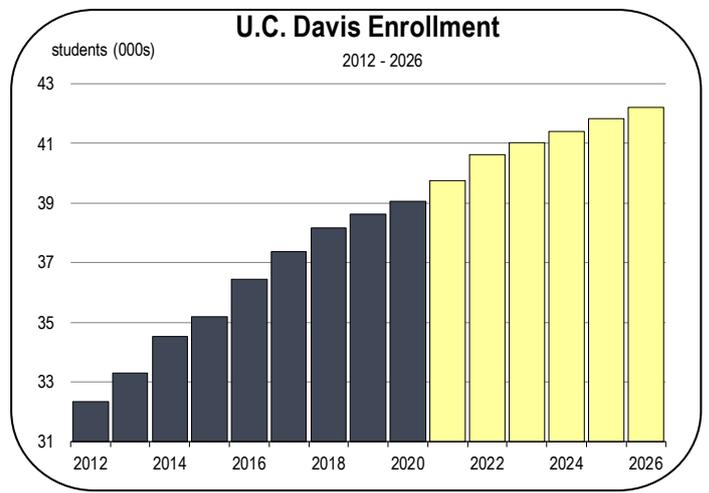
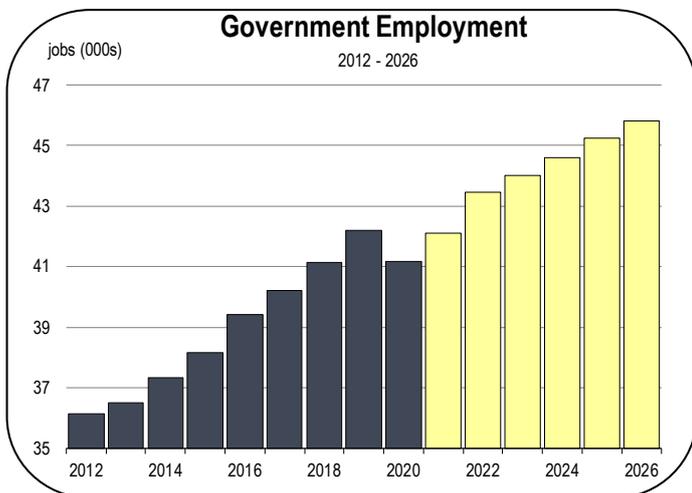
Information Employment

- In Yolo County, the information sector is largely comprised of telecommunications companies like Comcast.
- There are also a small number of jobs in movie theaters and newspapers.
- Movie theater employment may not return to pre-recession levels until 2021 or later as strict social distancing policies will likely reduce the number of customers that are allowed into theaters at the same time.

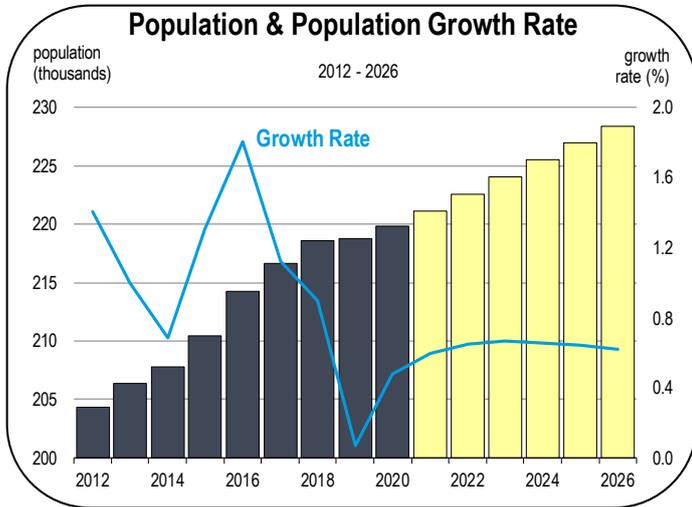
- After rebounding from the Coronavirus Recession, all subsectors are expected to return to their long-term patterns of stagnation and consolidation.

Government Employment

- The public sector accounts for 22 percent of total job creation in 2021 and 41 percent in 2022, remaining at 37 percent or higher during the 2023-2026 period.
- The largest employer in the county is U.C. Davis, with just over 10,000 staff, faculty, and administrative personnel.
- U.C. Davis admitted a record number of new students for the Fall 2020 term.
- Total enrollment — including undergraduate, graduate and professional students — was estimated at 39,600 when instruction began on Sept. 30.
- U.C. Davis enrollment is expected to rise 2 percent in the Fall of 2021 and in the Fall of 2022.
- State of California offices are also located in Yolo County and employ 3,465 workers.
- K-12 student enrollment in Yolo county is expected to decline marginally over the next 5 years as a result of declining birth rates since 2010, but in-migration and U.C. Davis enrollment will drive job creation in the county’s public sector.



Yolo County Economic Forecast

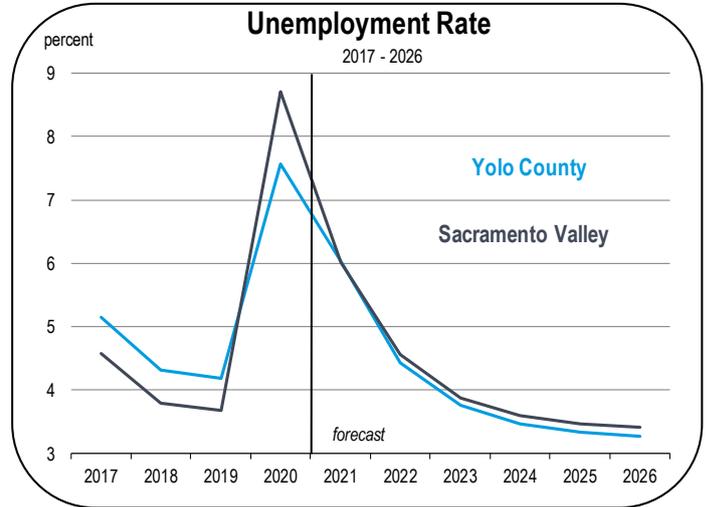
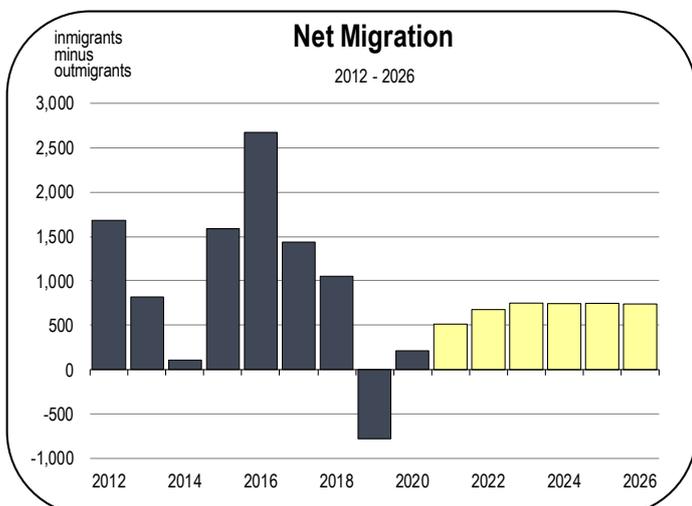


Population Growth

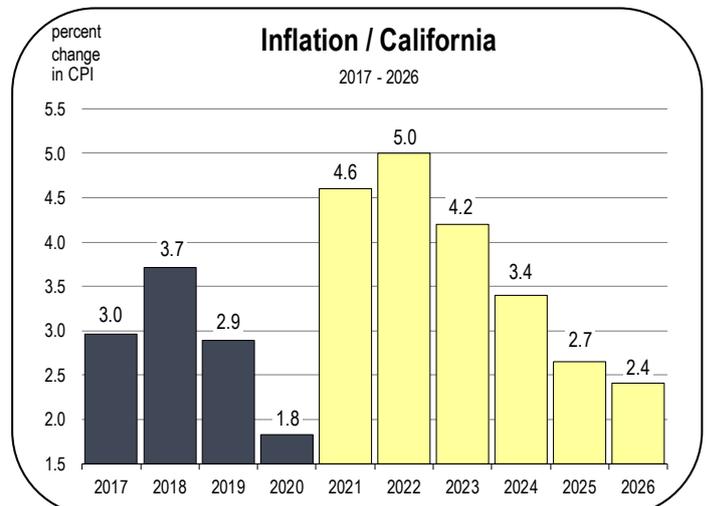
- The birth rate has been in decline since 2010, but because net in-migration has been positive for most of the last two decades, population has continued to expand every year.
- The forecast has population rising at an annual 0.6 to 0.7 percent rate over the next five years, which is slower than other parts of the Sacramento Valley but is much faster than virtually all of Coastal California.
- Total population increases by 8,500 people by 2026.

Unemployment and Inflation Rates

- The unemployment rate in Yolo County averaged 7.6 percent in 2020.



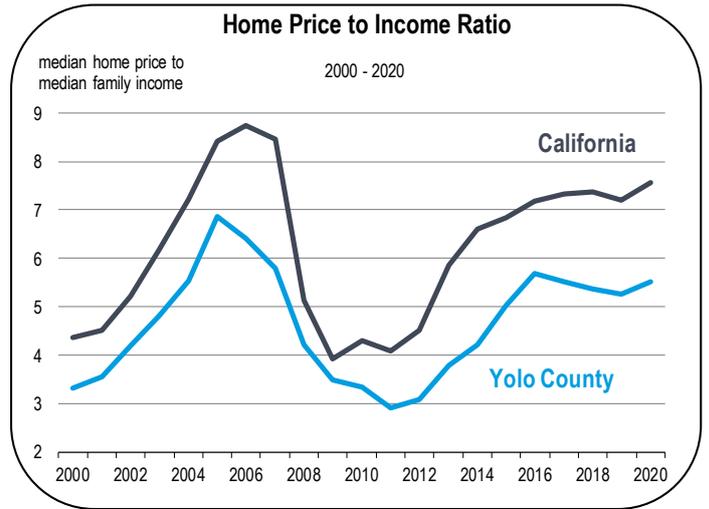
- An unemployment rate below 5.0 percent signifies a fully employed workforce in Yolo County.
- The unemployment rate is expected to average 6.0 percent in 2021 and 4.4 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. Inflation soared in 2021 and is expected to remain elevated for several years.
- Ultimately, inflation will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.



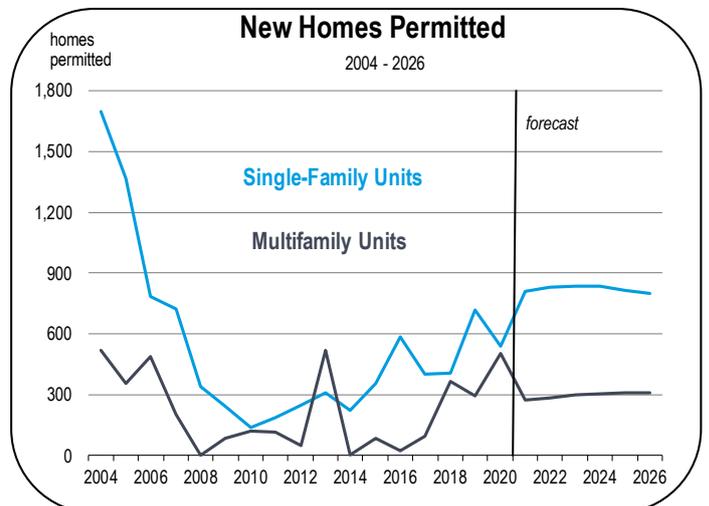
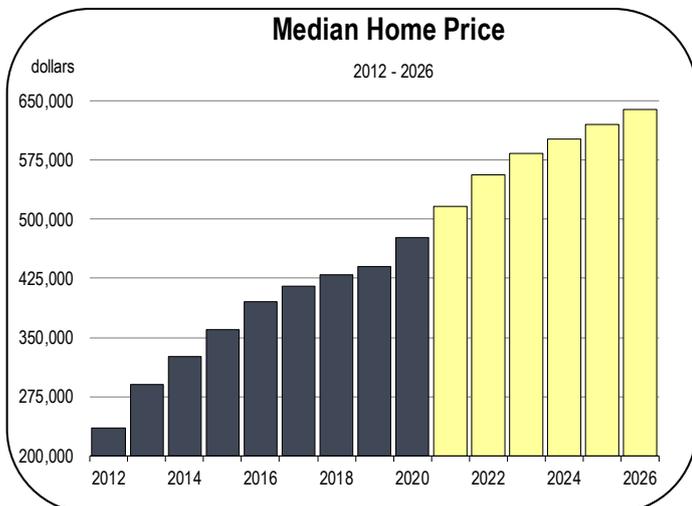
Yolo County Economic Forecast

Home Prices and New Housing Production

- In 2020 the median home price in Yolo County was \$477,000, an increase of 8 percent from the previous year.
- Home prices are expected to rise by another 7 or 8 percent in 2021, and again in 2022.
- Homes in Yolo County are more affordable than homes across California, especially Coastal California.
- In Yolo County, the typical household spends less than 30 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.
- From 2015 to 2020, an average of 725 new homes were started per year in Yolo County. Approximately 70 percent were single-family homes.
- Housing production is expected to average 1,100 homes per year from 2021 to 2026, consisting primarily of single-family homes.

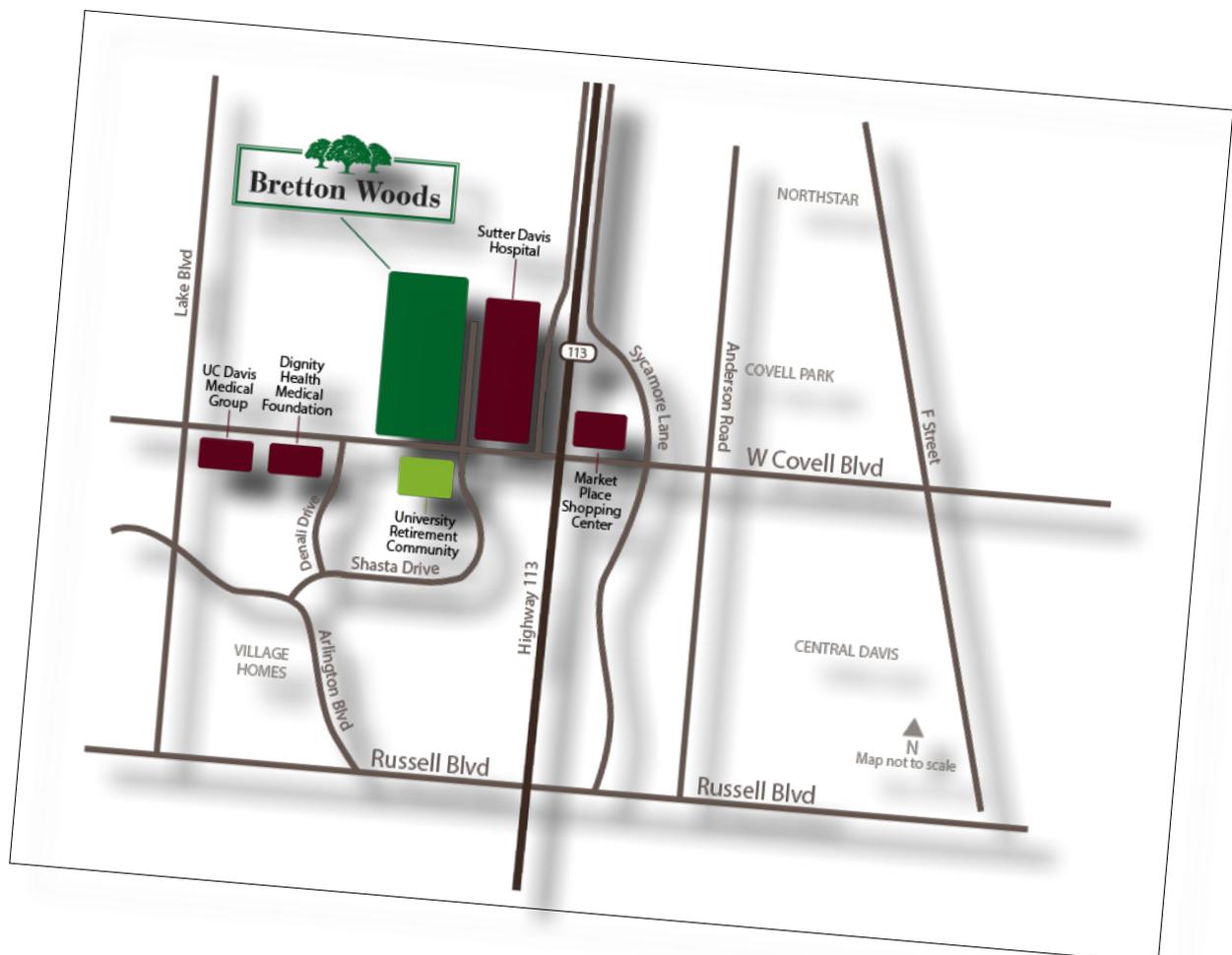


- However, in West Sacramento, a number of applications have been submitted since 2019 for apartments, condominiums and small subdivisions.
 - The Kind Project is a 148-unit multi-family housing project.
 - Four 40 West is a 106 single family unit project.
 - A 193 room hotel and 57-unit condominium building by River One LLC is approved.
 - Jefferson Village Apartments, a 292-unit multi-family unit development on Jefferson Blvd is approved.



Yolo County Economic Forecast

- In Woodland, Lennar Homes has proposed 98 single family home infill project along Matmor Road.
- In Davis, the West Davis Active Adult Community named Bretton Woods was approved in 2018 and is now under construction.
 - The Bretton Woods project includes development of a senior housing development with 560 primary residential units including:
 - 150 affordable, age-restricted apartments
 - 32 attached, age-restricted cottages
 - 94 attached, age-restricted units
 - 129 single-family detached, age-restricted units
 - 77 single-family detached, non-age-restricted units
 - Assisted living age-restricted detached units



Yolo County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	210,474	71.9	1,591	436	181	\$10.7	\$2.2	\$4.0	\$1.8	\$57,963	6.5	\$761	1.4
2016	214,271	72.7	2,671	602	186	\$11.0	\$2.3	\$4.0	\$1.9	\$57,605	5.9	\$741	2.3
2017	216,672	73.3	1,441	492	186	\$11.4	\$2.4	\$4.2	\$2.0	\$57,022	5.1	\$691	3.0
2018	218,612	74.2	1,052	771	189	\$11.8	\$2.7	\$4.6	\$2.0	\$56,643	4.3	\$708	3.7
2019	218,764	74.8	-782	1,008	193	\$12.4	\$2.7	\$4.7	\$2.0	\$57,591	4.2	\$779	2.9
2020	219,808	75.4	210	1,042	194	\$12.8	\$2.7	\$4.6	\$2.1	\$58,080	7.6	\$803	1.8
2021	221,118	76.4	513	1,080	195	\$13.4	\$2.8	\$4.9	\$2.2	\$59,102	6.0	\$807	4.6
2022	222,557	77.5	677	1,110	196	\$14.1	\$2.9	\$5.0	\$2.2	\$60,350	4.4	\$810	5.0
2023	224,046	78.5	749	1,131	198	\$14.8	\$3.0	\$5.1	\$2.3	\$61,533	3.8	\$813	4.2
2024	225,513	79.6	744	1,140	199	\$15.5	\$3.1	\$5.3	\$2.3	\$62,504	3.5	\$816	3.4
2025	226,959	80.7	747	1,123	201	\$16.2	\$3.1	\$5.4	\$2.3	\$63,393	3.3	\$819	2.7
2026	228,371	81.8	740	1,108	203	\$16.8	\$3.2	\$5.4	\$2.4	\$64,230	3.3	\$822	2.4
2027	229,647	82.9	632	1,099	206	\$17.5	\$3.2	\$5.5	\$2.4	\$65,076	3.2	\$825	2.2
2028	230,861	83.9	606	1,085	209	\$18.2	\$3.2	\$5.6	\$2.4	\$65,828	3.2	\$828	2.3
2029	232,022	85.0	592	1,049	211	\$18.9	\$3.3	\$5.7	\$2.4	\$66,288	3.2	\$831	2.2
2030	233,115	86.0	571	1,028	214	\$19.5	\$3.4	\$5.9	\$2.5	\$66,640	3.2	\$834	2.2
2031	234,128	87.0	556	1,003	217	\$20.1	\$3.5	\$6.0	\$2.5	\$67,019	3.2	\$837	2.3
2032	235,033	88.0	540	968	220	\$20.7	\$3.6	\$6.2	\$2.5	\$67,251	3.2	\$840	2.2
2033	235,772	88.9	519	946	224	\$21.3	\$3.7	\$6.3	\$2.5	\$67,674	3.2	\$843	2.0
2034	236,314	89.8	503	916	227	\$21.9	\$3.8	\$6.5	\$2.5	\$68,152	3.2	\$846	2.1
2035	236,660	90.7	484	911	229	\$22.6	\$3.9	\$6.7	\$2.5	\$68,702	3.2	\$849	2.1
2036	236,875	91.6	477	886	232	\$23.4	\$4.0	\$6.9	\$2.6	\$69,105	3.2	\$852	2.2
2037	236,984	92.4	462	882	235	\$24.1	\$4.1	\$7.1	\$2.6	\$69,449	3.2	\$854	2.2
2038	237,049	93.3	456	878	239	\$24.9	\$4.2	\$7.3	\$2.6	\$69,895	3.2	\$857	2.2
2039	237,085	94.1	453	863	242	\$25.7	\$4.4	\$7.5	\$2.6	\$70,278	3.2	\$860	2.2
2040	237,069	95.0	444	856	245	\$26.6	\$4.5	\$7.7	\$2.6	\$70,688	3.2	\$863	2.1
2041	237,018	95.8	439	849	248	\$27.4	\$4.6	\$7.9	\$2.6	\$71,297	3.2	\$866	2.2
2042	236,939	96.6	433	847	250	\$28.2	\$4.7	\$8.1	\$2.6	\$72,008	3.2	\$869	2.1
2043	236,843	97.4	430	842	252	\$29.1	\$4.8	\$8.3	\$2.7	\$72,787	3.2	\$872	2.0
2044	236,708	98.3	427	826	254	\$29.9	\$4.9	\$8.5	\$2.7	\$73,664	3.2	\$875	2.2
2045	236,537	99.0	418	818	256	\$30.8	\$5.0	\$8.7	\$2.7	\$74,505	3.2	\$877	2.2
2046	236,331	99.8	412	810	257	\$31.7	\$5.1	\$8.9	\$2.7	\$75,266	3.2	\$880	2.2
2047	236,108	100.6	406	798	259	\$32.7	\$5.3	\$9.1	\$2.7	\$75,861	3.2	\$883	2.2
2048	235,865	101.4	398	784	260	\$33.6	\$5.4	\$9.4	\$2.8	\$76,340	3.2	\$886	2.3
2049	235,599	102.1	389	768	261	\$34.5	\$5.5	\$9.6	\$2.8	\$76,924	3.2	\$889	2.0
2050	235,298	102.9	379	747	262	\$35.4	\$5.7	\$9.8	\$2.8	\$77,487	3.2	\$891	2.1

Employment Sectors

2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	104.7	5.8	3.5	6.5	6.9	12.6	2.5	8.3	1.0	9.6	7.5	38.2
2016	107.9	6.4	3.6	5.8	7.1	13.0	2.5	8.9	1.0	9.9	7.9	39.4
2017	109.0	5.9	3.6	6.3	7.3	13.1	2.5	9.1	1.0	9.9	7.9	40.2
2018	111.5	5.8	3.8	6.7	7.7	13.3	2.5	9.1	0.9	10.4	7.8	41.1
2019	115.3	5.7	4.4	6.7	8.2	13.5	2.5	9.4	0.9	11.2	8.2	42.2
2020	109.8	5.4	4.4	6.5	8.0	12.7	2.5	9.1	0.8	11.0	6.2	41.2
2021	113.3	5.6	4.5	6.6	8.4	13.2	2.5	9.2	0.9	11.2	7.0	42.1
2022	116.2	5.6	4.5	6.6	8.5	13.2	2.5	9.3	0.9	11.6	7.5	43.5
2023	117.9	5.6	4.5	6.7	8.7	13.3	2.5	9.5	0.8	11.8	8.0	44.0
2024	119.7	5.6	4.6	6.7	8.8	13.3	2.5	9.6	0.8	12.0	8.5	44.6
2025	121.2	5.7	4.6	6.8	8.9	13.3	2.5	9.8	0.8	12.2	8.9	45.2
2026	122.6	5.7	4.5	6.8	9.0	13.3	2.5	9.9	0.7	12.4	9.3	45.8
2027	124.0	5.7	4.5	6.8	9.0	13.3	2.5	10.1	0.7	12.6	9.7	46.4
2028	125.2	5.7	4.5	6.8	9.1	13.3	2.5	10.2	0.7	12.7	10.0	46.8
2029	126.4	5.7	4.4	6.9	9.2	13.3	2.5	10.4	0.7	12.9	10.2	47.4
2030	127.4	5.7	4.3	6.9	9.2	13.3	2.5	10.5	0.7	13.1	10.5	47.7
2031	128.4	5.7	4.3	6.9	9.3	13.3	2.5	10.7	0.7	13.3	10.7	48.0
2032	129.2	5.7	4.3	6.9	9.4	13.3	2.5	10.8	0.7	13.4	10.8	48.3
2033	129.9	5.8	4.3	6.9	9.4	13.3	2.5	11.0	0.7	13.6	10.9	48.5
2034	130.6	5.8	4.2	6.9	9.5	13.4	2.5	11.1	0.7	13.8	11.0	48.7
2035	131.3	5.8	4.2	6.9	9.5	13.4	2.5	11.3	0.7	13.9	11.1	48.8
2036	131.9	5.8	4.2	6.9	9.6	13.4	2.5	11.4	0.7	14.1	11.2	49.0
2037	132.5	5.8	4.2	6.9	9.6	13.5	2.5	11.6	0.7	14.2	11.3	49.1
2038	133.1	5.8	4.2	6.9	9.7	13.5	2.5	11.7	0.7	14.4	11.3	49.3
2039	133.7	5.8	4.2	6.9	9.7	13.5	2.5	11.9	0.7	14.5	11.4	49.4
2040	134.2	5.8	4.1	6.9	9.7	13.5	2.5	12.0	0.7	14.7	11.5	49.5
2041	134.8	5.9	4.1	6.9	9.8	13.5	2.5	12.1	0.7	14.8	11.5	49.6
2042	135.3	5.9	4.1	6.9	9.8	13.5	2.5	12.3	0.7	14.9	11.6	49.8
2043	135.9	5.9	4.1	6.9	9.9	13.6	2.5	12.4	0.7	15.1	11.7	49.9
2044	136.4	5.9	4.1	6.9	9.9	13.6	2.5	12.5	0.7	15.2	11.7	50.0
2045	136.9	5.9	4.1	6.9	9.9	13.6	2.5	12.7	0.7	15.3	11.8	50.1
2046	137.3	5.9	4.1	6.9	9.9	13.6	2.5	12.8	0.7	15.5	11.9	50.2
2047	137.8	5.9	4.1	6.9	10.0	13.6	2.5	12.9	0.7	15.6	11.9	50.3
2048	138.2	5.9	4.1	6.9	10.0	13.6	2.5	13.1	0.7	15.7	12.0	50.3
2049	138.6	5.9	4.0	6.9	10.0	13.6	2.5	13.2	0.7	15.8	12.0	50.4
2050	139.0	6.0	4.0	6.9	10.1	13.6	2.5	13.3	0.7	15.9	12.1	50.5

Yolo County Economic Forecast

Socioeconomic Indicators

